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2 UNITED STATES DISTRICT COURT
3 SOUTHERN DISTRICT OF NEW YORK

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4 UNITED STATES OF AMERICA,

5 v.

18 Cr. 340 (LGS)

6 ROBERT FARKAS,

7 Defendant.

8 -----x

New York, N.Y.
December 15, 2020
11:00 a.m.

11 Before:

12 HON. LORNA G. SCHOFIELD

District Judge

14 APPEARANCES (via telephone)

15 AUDREY STRAUSS

Acting United States Attorney for the
Southern District of New York

16 BY: SAMSON ENZER

17 DANIEL LOSS

NEGAR TEKEII

18 Assistant United States Attorneys

19 BRIAN KLEIN

PAUL PETRUZZI

20 SANFORD TALKIN

Attorneys for Defendant

1 (Case called)

2 DEPUTY COURT CLERK: Good morning. We are here in the
3 matter of 18 Crim. 340, United States of America v. Robert
4 Farkas. Before we begin, I would like too remind the parties
5 and anyone listening that recording or rebroadcasting of this
6 proceeding is prohibited. Violation of this prohibition may
7 results in sanctions. We are here before the Honorable Lorna
8 G. Schofield. If counsel would just state their name for the
9 record.

10 MS. TEKEEI: Good morning, your Honor. Negar Tekeei
11 on behalf of the United States, and joining me are my
12 colleagues AUSAs Sam Enzer and Dan Loss. I would also like to
13 note that our special agents Brendan Rav and Kristen Elaine are
14 also joining by phone.

15 THE COURT: Great.

16 MR. PETRUZZI: Good morning, your Honor. Paul
17 Petruzzi on behalf of Robert Farkas. Mr. Farkas is present
18 remotely, participating in the proceedings from his home. Also
19 present with me are cocounsel, Sam Talkin and Brian Klein.

20 THE COURT: OK. Good morning, everyone.

21 As you can see, we are proceeding by video conference,
22 and I myself is outside the District. Mr. Farkas, can you see
23 and hear me?

24 THE DEFENDANT: Yes, your Honor.

25 THE COURT: Good morning. If at any point you cannot

1 see or hear me, or anybody else, please let me know, and we
2 will try to fix that. OK?

3 THE DEFENDANT: OK.

4 THE COURT: You have the right to be physically
5 present for your sentencing. Your lawyer has made a written
6 request that we proceed remotely, because I understand you are
7 living in Florida, and of course travel is risky during the
8 days of the pandemic. And your lawyer has stated that you
9 waive your right to be physically present. Is that correct?

10 THE DEFENDANT: Yes, your Honor.

11 THE COURT: And do you want us to proceed with your
12 sentencing this way by video?

13 THE DEFENDANT: Yes, your Honor.

14 THE COURT: I find the proceeding cannot be further
15 delayed without serious harm to the interests of justice,
16 because Mr. Farkas is understandably eager for the sentencing
17 to proceed, and the proceedings in this case have been
18 previously delayed because of the pandemic.

19 Mr. Farkas, do you have family members or friends who
20 are there with you or are joining us by phone?

21 THE DEFENDANT: Yes, your Honor, my parents are here.

22 THE COURT: Do you want to just introduce them and let
23 them say hello?

24 THE DEFENDANT: Yes, sure.

25 THE COURT: Thank you all for being here. It's

1 extremely important for a court in this kind of situation to
2 understand that the defendant has lots of support. And it's
3 clear to me not only from the letters I have read but also from
4 your family's presence here that you do, so thank you for
5 introducing them and thank you for having them.

6 We are here today to impose sentence in the case of
7 United States v. Robert Farkas. Mr. Farkas pleaded guilty to
8 two counts, the first conspiracy to commit securities fraud,
9 and the second conspiracy to commit wire fraud. This was all
10 pursuant to a plea agreement dated June 15, 2020.

11 To prepare for the proceeding today, I have reviewed
12 the presentence report -- which was last revised in September
13 of 2020 -- and also received and reviewed the defendant's
14 submission dated October 16, 2020, and the letters that I just
15 referenced. So, for the record I have read them, but I will
16 mention who I have read letters from. So Mr. Farkas, I have
17 your letter and I have read it. Thank you. I also have
18 letters from your immediate family members: Brielle Farkas,
19 your sister, who I just met; Cynthia Farkas, your mother; also
20 Robert Farkas, your father; Dyesha Lee, your sister; Christina
21 McGowen, your sister; and Donna Valez, your fiancée.

22 I also have letters from other family members:
23 Christopher Farkas, your uncle; Glenn Farkas, your uncle; Jean
24 Farkas, your aunt; Travis Lee, your brother-in-law; Alexis
25 Maziarski, your niece; and Lucy Valez, your fiancée's mother.

1 I also have letters from friends: Donna Destefano,
2 Dyana Koon, Andrew Malwicki, Nicole Parico, and Marina
3 Quasiato. I also have a letter from Dr. Rafeal Kellman as well
4 as a copy of your medical records.

5 In addition, I have the government's submission which
6 is dated October 30, 2020. I also received and reviewed 24
7 victim impact statements and a related letter from the
8 government that I received yesterday.

9 Is there anything I am missing, Mr. Petruzzi?

10 MR. PETRUZZI: No, your Honor, not that I am aware of.

11 THE COURT: Ms. Tekeei, is there anything I'm missing?

12 MS. TEKEEI: No, your Honor. I do believe we received
13 one additional victim impact statement yesterday, which our
14 victim witness coordinator is preparing and our paralegals are
15 preparing to produce to the Court, however, the Court has
16 accurately looked at everything that has been submitted to the
17 Court so far.

18 THE COURT: All right. And the additional victim
19 impact statement, do you either want to summarize it for me or
20 tell me it's substantially the same as the others that I have
21 reviewed?

22 MS. TEKEEI: Your Honor, it is substantially the same
23 as the others that you have reviewed.

24 THE COURT: Thank you.

25 I would also note that I have reviewed the transcript

1 of Mr. Farkas's guilty plea before Judge Cott, which took place
2 on June 16, 2020, and I signed an order accepting your plea.

3 Mr. Petruzzi, have you read the presentence report?

4 MR. PETRUZZI: Yes, I have, your Honor, as well as the
5 addendum.

6 THE COURT: And have you discussed it with your
7 client?

8 MR. PETRUZZI: Yes, your Honor, I have. We have
9 reviewed all matters in the presentence report and any
10 pertinent objections thereto, all of which have been resolved.

11 THE COURT: Thank you.

12 And, Mr. Farkas, have you read the presentence report
13 and discussed it with your lawyers?

14 THE DEFENDANT: Yes, your Honor.

15 THE COURT: And have you had the opportunity to go
16 over with him any errors in the report or anything else that
17 you think should be taken up with the court?

18 THE DEFENDANT: Yes, your Honor.

19 THE COURT: Ms. Tekeei, have you reviewed the
20 presentence report?

21 MS. TEKEEI: Yes, your Honor.

22 THE COURT: So, I will put the question to you first
23 Ms. Tekeei. Putting aside the calculations of the sentencing
24 guidelines, does the government have any objections to the
25 report regarding its factual accuracy?

1 MS. TEKEEI: Your Honor, we have one clarification to
2 make, and it is consistent with the substance of the
3 government's letter that was submitted yesterday. It is with
4 respect to paragraph 155 of the PSR. That paragraph described
5 a victim impact statement in which the victim reported that his
6 failed Centra Tech investment led to the divorce from his wife,
7 and so we request that that particular paragraph be clarified,
8 as we have no objection to removing that particular sentence,
9 which I believe is ten lines down from the top and begins with
10 "additionally another victim". Consistent with our letter of
11 yesterday, we have no objection to striking that sentence from
12 the PSR.

13 THE COURT: OK. So, is this actually a request to
14 amend the presentence report and strike the sentence?

15 MS. TEKEEI: I mean technically it is, your Honor, and
16 I am certain defense counsel have no objection to that. But
17 the Court should certainly inquire.

18 THE COURT: All right.

19 And, Mr. Petruzzi, do you have any objections to the
20 report regarding its factual accuracy?

21 MR. PETRUZZI: No, your Honor, I do not. Consistent
22 with Ms. Tekeei's, I guess, request for clarification or
23 revision of the report, I would also ask that it just simply
24 note that because of the circumstances, the government hasn't
25 independently verified all of the information in the victim

1 impact statements. But having said that, none of it I believe
2 changes the guidelines calculations that the parties have
3 arrived at. I think it would go probably to the weight that
4 your Honor would accord each of the victim impact statements.

5 THE COURT: So, you are also asking for a note that
6 that the government has not independently verified all the
7 victim impact statements. I actually recall reading that but I
8 don't recall reading it necessarily in the presentence report.

9 Ms. Tekeei, do you have any objection to that
10 amendment as long as we are amending the report?

11 MS. TEKEEI: No, your Honor. I think that's
12 consistent with our letter from yesterday, which is where the
13 Court probably first saw that language, and so we have no
14 objection to a statement along the lines of the government has
15 produced to the Court and to the defense the victim impact
16 statements that have been submitted to its victim witness
17 coordinator, without undertaking to independently verify all of
18 the assertions contained in those victim impact statements.

19 THE COURT: OK. So, I will adopt the factual
20 recitation set forth in the presentence report with those two
21 amendments: One, regarding a clarification to paragraph 155 as
22 we discussed, and the other is to add a note about the victim
23 impact statements in general.

24 I direct that a complete copy of the presentence
25 report be prepared for the Bureau of Prisons and the Sentencing

1 Commission. The report will be made part of the record in this
2 matter and placed under seal. If an appeal is taken, counsel
3 on appeal may have access to the report without further
4 application.

5 Mr. Farkas, what I would like to do now is turn to the
6 sentencing guidelines. We are still required to consider the
7 guidelines in determining what the appropriate sentence is,
8 although we're not required to follow the recommendation. But,
9 in any event, it's necessary for me to accurately calculate
10 what the guidelines recommendation is.

11 So, as you know in this case, there was a plea
12 agreement between you and the government in which the parties
13 stipulated to a particular calculation of the guidelines, and
14 the calculation in the presentence report appears to be the
15 same as what appears in your plea agreement, so I assume there
16 is no objection to the calculation in the presentence report.

17 Is that right, Ms. Tekeei?

18 MS. TEKEEI: Yes, your Honor.

19 THE COURT: And, Mr. Petruzzi, is that right?

20 MR. PETRUZZI: Yes, your Honor, it is. Thank you.

21 THE COURT: So, based on the parties' agreement, and
22 the absence of objection, as well as my independent evaluation
23 of the sentencing guidelines, I accept the guideline
24 calculation in the presentence report. I find the offense
25 level is 27 and the Criminal History Category is I.

1 So, Mr. Farkas, what all of that means is that the
2 recommended prison term under the guidelines is 70 to 87
3 months, as well as a fine between \$25,000 and \$250,000
4 supervised release of one to three years on each count, and
5 probation is not recommended.

6 That of course is separate from the maximum sentence
7 that I can impose, which is much greater. The maximum term of
8 imprisonment is up to five years on each count, which comes to
9 a total of ten years. The maximum fine is \$250,000.
10 Supervised release under the statute, the maximum is three
11 years. And the statute would also permit probation of up to
12 five years.

13 There is a mandatory special assessment of \$100 per
14 count or \$200, which I will impose. And with regard to
15 restitution, on November 5, 2020 I granted the government's
16 motion, finding that restitution is impracticable in this case.
17 And with respect to forfeiture, I understand and have seen an
18 agreement that the defendant consents to the entry of a money
19 judgment against him in the amount of \$347,062.58; also that
20 the defendant has never claimed to have any right, title or
21 interest in any of the 100,000 ether units that the F.B.I.
22 seized in 2018 in connection with this case; and finally Mr.
23 Farkas consents to the forfeiture of a particular Rolex watch
24 that his co-defendant, Mr. Sharma, gave him from proceeds of
25 the crimes that are charged and admitted.

1 Are there any objections to the sentencing options I
2 have outlined? Mr. Petruzzi?

3 MR. PETRUZZI: No, your Honor. Thank you.

4 THE COURT: Ms. Tekeei?

5 MS. TEKEEI: No, your Honor. Thank you.

6 THE COURT: So, I see from the plea agreement that
7 neither party believes that an upward or downward departure is
8 appropriate, so while I have authority to depart, I decline to
9 do that. That of course is separate from a variance. And for
10 some of the people listening, that's all a way of saying
11 technically that the parties have reserved their right to ask
12 the Court to vary from the recommendation in the guidelines.
13 So, I will hear from the government first.

14 MS. TEKEEI: Your Honor, one housekeeping matter, with
15 the Court's permission prior to our discussion of the
16 guidelines and the sentencing factors. And the court has
17 already alluded to this.

18 But one additional factor to why we believe there is a
19 CARES Act basis to proceed here via video conference remotely
20 is that because restitution is impracticable in this case, and
21 the government intends to proceed via the well established
22 process of forfeiture and remission to compensate the victims
23 of fraud in this case, that process cannot begin until after
24 the assets have been judicially forfeited and following the
25 entry of a final order of forfeiture. So, sentencing is

1 important and the final order of forfeiture are critical
2 components in that process, and as this case has been pending
3 for more than two and a half years, the victims here do have an
4 interest in seeing it resolved and proceeding toward the point
5 at which they can receive compensation. And we add that only
6 to supplement the record as to the Court's original findings
7 that we may proceed under the CARES Act by video conference.

8 THE COURT: OK, thank you. And I will adopt what you
9 said as additional findings as the basis to proceed by video.
10 And as long as we are on the subject, could you tell me what
11 the schedule is for compensating the victims. What steps have
12 to be taken and when do you expect it to happen?

13 MS. TEKEEI: The first step would be the final order
14 of forfeiture, which happens after the preliminary order of
15 forfeiture is posted and victims and other parties have 30 days
16 to raise their hands and raise any issues that they may have
17 with the preliminary order of forfeiture. Once the funds are
18 actually forfeited, then they go through the remissions process
19 with main Justice, the Department of Justice. I don't sitting
20 here today have a schedule, and I wouldn't want to get out
21 ahead of ourselves on predicting the exact time line, but it is
22 our offices's recommendation, and we do seek to attempt to
23 proceed with the remissions process.

24 The victims in this case have been notified about
25 various matters, various proceedings via our victim

1 notification system, and we intend to alert the victims in this
2 case about the opportunity for remission and what they will
3 need to do in order to seek remission via the same victim
4 notification system.

5 THE COURT: OK. What I am inclined to do is to issue
6 an order asking for status so that I understand that this is
7 proceeding. Obviously, getting compensation to the victims is
8 important for many reasons. Obviously it's important to the
9 victims, but I think it's also relevant to the sentencing here,
10 in that the argument has been made that victims largely will be
11 fully compensated or close to fully compensated. But that only
12 has peace if it comes to pass and it comes to pass relatively
13 promptly.

14 So, would you have any objections and do you have any
15 suggestions as to who the directive should be addressed so that
16 I can get timely and accurate reports as to what is happening
17 with the remission system?

18 MS. TEKEEI: Certainly, your Honor. I would like to
19 answer the Court's question with clarity. I think some of that
20 really depends on the sentencing of Mr. Farkas's co-defendant,
21 who in connection with his sentencing has agreed to forfeit the
22 \$100,000 ether that the government seized. So, I don't have a
23 perfect answer for you today, but how about the government will
24 provide the Court with a letter indicating how best to proceed
25 in terms of status updates to the Court and to whom the Court

1 can address any future directives related to the remissions
2 process. I apologize for not having more perfect answers for
3 your Honor today, but I would rather not answer with an answer
4 that's not clear or inaccurate, and so we certainly can provide
5 the Court with better information and further clarification,
6 now that the Court has posed these questions.

7 THE COURT: OK, I appreciate that.

8 Another question I have is it sounded from your answer
9 as though this process can't begin until the sentencing of the
10 co-defendant who has agreed to forfeit the ether. Is that
11 correct?

12 MS. TEKEEI: Yes, your Honor. A preliminary order of
13 forfeiture has been entered in connection with Mr. Sharma,
14 however, that order of forfeiture is not yet final, and
15 sentencing is an important component to that.

16 THE COURT: OK. I should know this, but I don't have
17 it handy. Do you know what our sentencing date is for
18 Mr. Sharma?

19 MS. TEKEEI: I believe it's January 19, but I can
20 double check.

21 THE COURT: That's all right. I am sure Mr. Street
22 has it.

23 DEPUTY COURT CLERK: That's correct, your Honor.

24 THE COURT: Thank you.

25 So, having addressed that restitution process, do you

1 have other remarks with regard to sentencing?

2 MS. TEKEEI: Thank you, your Honor. And we will try
3 to be brief and only amplify some of the points in our prior
4 submission.

5 As the Court is now aware from the lengthy briefing in
6 this matter, the PSR and the parties' submissions in connection
7 with sentencing, Mr. Farkas and his coconspirators first lied
8 to their victims in order to raise more than \$25 million in
9 victim investor funds, and then they lied to cover up the
10 scheme and lull their victims when certain aspects of their
11 fraud were discovered and widely publicized.

12 Mr. Farkas in particular embraced and participated in
13 the lie about Centra Tech's fake partnerships with Bancorp,
14 Visa and Mastercard. He used his family photographs as fake
15 Centra Tech executives to perpetuate the material fiction that
16 those executives who had substantial but entirely faked
17 credentials actually listed. He recorded and produced videos
18 stating state demonstrations of the so-called Centra Card to
19 mislead investors, and he helped to manipulation the price of
20 digital Centra Tech tokens issued by Centra Tech as part of the
21 ICO -- or the initial coin offering. These are undisputed
22 facts for the PSR.

23 As we conveyed in our sentencing submission, your
24 Honor, we certainly recognize that there are mitigating factors
25 here that do weigh in favor of a below guidelines range

1 sentence. Those include Mr. Farkas's role in the offense, the
2 amount of money he personally received, the steps he has taken
3 to get his life back on track after the arrest, and the support
4 that he has provided to his young family and the support his
5 family has provided to him. However, we do not believe that
6 these factors are so extraordinary that they should give rise
7 to a sentence of no additional incarceration.

8 Mr. Farkas and his co-conspirators capitalized on a
9 burgeoning new world of cryptocurrency investments. They used
10 that as their primary vehicle for the fraud, the initial coin
11 offering, a new type of investment opportunity. And as
12 compared to more traditional ways of raising capital, I feel it
13 presents increased risk of fraud and manipulation, and they
14 make it more difficult to trace investment by victim
15 investors -- a real problem and a real issue that we are having
16 in this case here. It's not a hypothetical issue.

17 By peddling lives about fake executives, fake business
18 relationships and fake cards under the auspices of an initial
19 coin offering, Mr. Farkas and his coconspirators took advantage
20 of hundreds of victim investors in a relatively short
21 timeframe, a sentence of additional incarceration will send the
22 important message that lies and deceit in the innovative
23 digital securities world will be met with the same consequences
24 as lies and deceit in more traditional markets.

25 Against this backdrop, the type of sentence that Mr.

1 Farkas is requesting is not appropriate when considering the
2 serious nature of the offense and the need to afford just
3 punishment and to promote general deterrence.

4 And with respect to Mr. Farkas's medical concerns,
5 your Honor, this is not a binary issue. There is a clear
6 middle road here where the Court can -- and we submit should --
7 impose the sentence that it would on Mr. Farkas absent the
8 COVID-19 pandemic, and simply direct the latest surrender date
9 as this court and other courts in this district have done in
10 light of the pandemic. Unless the Court has any other
11 questions, we have no further statements.

12 THE COURT: Thank you. I don't have any further
13 questions.

14 Mr. Petruzzi, would you like to be heard?

15 MR. PETRUZZI: If I may, may it please the Court, good
16 morning again, your Honor.

17 First, I would like to thank Ms. Tekeei and also
18 Mr. Enzer and Mr. Loss, and I would like to thank my cocounsel
19 as well, Judge, Mr. Talkin and Mr. Klein.

20 For the past two years or more a little bit I have had
21 the pleasure of working with this extraordinary group of
22 lawyers. In a sense, I think, as your Honor can see from Ms.
23 Tekeei's argument, we have worked collaboratively to try to get
24 the victims made whole. We have all known for some time that
25 there would have been an ability to liquidate the seized ether

1 tokens that the government has, and we have worked to make that
2 happen. So, while it has been great to work with everybody,
3 it's not to say that we haven't had our disagreements as we
4 have worked through this process. And one of those
5 disagreements is right now, and that's what sentence your Honor
6 would find appropriate and what sentence we are advocating for.

7 We certainly disagree with the government. We think
8 that this case is unique. We think that our client, Mr.
9 Farkas, is very unique with respect to his participation in the
10 offense. And we think because of who he is, what the offense
11 was, and his participation in the offense was, and where we are
12 with the victims, and the availability of proceeds to make the
13 victims whole, we think the sentence we are requesting is a
14 sentence that's reasonable, and that's sufficient under the
15 circumstances.

16 So, in any event, I would like to -- and we recognize
17 that it would be a relatively extraordinary variance. And it's
18 not to say that the parties all haven't agreed that a variance
19 wouldn't be appropriate. I think it's an unusual case where
20 the government, probation and the defense agree that some
21 sentence below the low end of the guideline range would be an
22 appropriate sentence. In this case we have that situation, and
23 your Honor has at least from my view the unenviable task of
24 figuring out what that is.

25 And so I'd like to start with the nature and

1 circumstances of the offense. There is very little I can add
2 to the government's submission. Certainly there is little I
3 can add to the PSR with respect to the nature and circumstances
4 of this particular offense, your Honor.

5 The only thing that I would say is that the ICO lasted
6 from July of 17 to October of 17, and a lot of the preliminary
7 work for that ICO was done before Mr. Farkas even joined the
8 company at the invitation of his sister's boyfriend. And
9 that's somebody that Mr. Farkas really didn't know very well at
10 the time, although your Honor has recognized that from Mr.
11 Farkas's letters he is all too willing to help his sisters and
12 his sister's friends when a call arises.

13 What did he do with respect to this offense? Quite
14 simply, as the government recognized, he did what he was told,
15 and that's why the parties have all agreed that a minor role
16 adjustment would be appropriate.

17 So, what do you do with an individual who has been
18 involved in a sophisticated offense but he is just sort of the
19 unsophisticated guy? And I think that that's also reflected by
20 the fact that we have a \$36 million intended loss here and a
21 defendant who personally profited, at least from what our
22 agreement is and what the numbers reflect, \$348,000, which is a
23 relatively small percentage of that 36 million.

24 So, to a degree the offense itself vis-a-vis Mr.
25 Farkas's participation in it seems to be overstated, and that's

1 often the problem when there is this giant amount of intended
2 loss by an individual who played relatively speaking a minor
3 role in that offense.

4 So, the offense itself may have been sophisticated.
5 Mr. Farkas's role in it may not have been all that
6 sophisticated insofar as he was just doing what he was told.
7 So then the question becomes who was he answering to. And I
8 think your Honor in arriving at a just and appropriate sentence
9 has to look at the relative culpability of the parties in this
10 case.

11 So, Mr. Farkas is someone who comes into the case
12 after being recruited by a friend and future family member, and
13 he comes into the case without having any experience in the
14 finance world, in the cryptocurrency world. The furthest he
15 got in college was part of a semester at West Virginia
16 University before he withdrew.

17 So he had really no financial experience. He had
18 literally gone from being a bartender to an assistant -- for
19 lack of a better term -- in this cryptocurrency start-up. And
20 you heard from Ms. Tekeei some of the things he did. He helped
21 produce these videos. In other words he held the camera. He
22 was present. He did not come up with the technology. He did
23 not come up with a pitch deck -- in fact, there wasn't one.
24 This is not the type of SEC-type fraud, securities fraud, white
25 collar offense, where you have a bunch of individuals sitting

1 around going off a list of names of potential investors and
2 cold calling them. That didn't happen here. So, it was more
3 of what I would sort of to steal a phrase describe as
4 irrational exuberance in the cryptocurrency market at the time,
5 with all sorts of folks jumping into it, and on the basis of
6 what somebody may have heard on Red-it, or on the basis of what
7 somebody may have heard from some talking head on a podcast,
8 decided to jump in and spend anywhere from hundreds of
9 thousands to hundreds of dollars. So, that's what we have in
10 this particular offense.

11 Fortunately -- fortunately -- Mr. Farkas's
12 codefendants didn't waste the money. Now, the government makes
13 a very good point -- and we believe it's a mitigator -- that
14 Mr. Farkas never had any access to that 100,000 ether. He
15 never had a claim to it. That wasn't his. It wasn't something
16 that he was entrusted with. It wasn't something that he was
17 directed to handle. He just simply had no access to it. We
18 believe that that's a mitigator. But fortunately that 100,000
19 ether wasn't wasted by his codefendants in that it's available
20 and that the government has now sold it -- and I note sold it
21 for a profit. I think it's docket entry 410, the
22 government-filed letter to your Honor indicating basically what
23 all of these numbers are, and that is seems from that letter
24 that the total amount of fraud proceeds are somewhere slightly
25 north of \$36 million. The ether sale itself generated slightly

1 over \$33 million. And that's all more than what the government
2 established as the value of that 100,000 ether, which was 29
3 million. So, I think the government was quite candid -- and
4 it's helpful to a degree -- that there is some 4.4 million in
5 appreciation of this cryptocurrency at the time of its sale, so
6 that's more money that's now available for the victims in the
7 offense, and of course none of it that Mr. Farkas either had
8 access to or control over. And that's significant given what I
9 was calling relative culpability.

10 So, Mr. Farkas again did what he was told. But who
11 was he with? And who was he working with? Well, he didn't
12 have any prior experience in finance, but both Mr. Trapani and
13 Mr. Sharma -- who both directed him in his activities -- they
14 both had experience in finance. They both had experience in
15 let's say not telling the truth to people in finance. Mr.
16 Trapani, for example, had been involved with some fraudulent
17 activities before. Mr. Farkas didn't even know him. They met
18 for the first time through Mr. Sharma. So when Mr. Farkas even
19 became involved in this, he was a fish out of water -- at least
20 his water.

21 You know, Robert Farkas did not grow up in a world
22 that would lead him to this, I think your Honor, but some of
23 his traits -- what I would consider positive traits -- helped
24 get him involved in this.

25 So RJ grew up in a pretty rural part of New Jersey.

1 He wanted to -- he was excelling in hockey when he was young.
2 He hoped to get a scholarship, and hopefully at some point he
3 wanted to play professional hockey. That all came to an end
4 when he contracted Lyme disease. He couldn't play anymore. He
5 spent about a year in bed. And candidly I know the government
6 had some issues with Mr. Farkas's Lyme disease, but it's
7 something that's there. I don't know whether the right word
8 would be that it's dormant or whether it's in remission, but no
9 matter how you slice it, the Lyme disease is not something
10 that's going away and it's something that affected his life
11 negatively, and it's something that has helped to shape his
12 life from his teen years thereon. So, that hockey scholarship
13 was unavailable to him.

14 He followed some of his friends and went to University
15 of West Virginia, and whether it was the Lyme disease or his
16 ADHD, he just couldn't get through that first semester, Judge.
17 So, he had to drop out, and he went to bartending; he became a
18 waiter. But he is also somebody who is loyal to a fault
19 perhaps, loyal to his sisters, kind to those around him, and as
20 a result of that he ultimately moved to Florida. He wanted to
21 be closer with his sister as part of the move, and he wanted to
22 try to try to start something new in his life. And he got
23 about as far as bartending until he was invited to assist
24 Mr. Sharma in Centra Tech. And maybe that's what I mean by he
25 is perhaps kind and helpful and maybe loyal to a fault, because

1 that's what got him involved in this offense, and it is
2 something that is far bigger than he is.

3 I think the characteristics that he has, coupled with
4 the nature and circumstances of the offense and his role in it,
5 all shout out for a sentence far below the guideline sentence,
6 particularly when one looks at the 22-level increase that the
7 loss amount causes in the advisory guideline range with respect
8 to Mr. Farkas's minor involvement or minor role therein.

9 So it seems from the government's presentation, your
10 Honor, that the crux of its concern is that the sentence that
11 we're asking for and the government's view doesn't reflect the
12 seriousness of the offense or promote respect for the law or
13 just punishment but almost most strikingly that it doesn't
14 provide for adequate deterrence, whether specific or general
15 deterrence, and on that score we disagree.

16 Mr. Farkas is a different defendant than Mr. Trapani
17 and Mr. Sharma. He is perhaps not the right defendant to send
18 this message via. He is not perhaps the right vehicle to send
19 that type of message, because none of this was his idea; none
20 of this was his thing. And he followed folks like Mr. Trapani
21 in conducting himself while at Centra Tech.

22 But with respect to deterrence -- and I want to talk
23 about specific deterrence first -- the jail that Mr. Farkas has
24 created for himself -- or perhaps that circumstances have
25 created for him -- has a far more significant deterrent effect

1 than any jail could ever have. Your Honor knows from the
2 letters that you read what happened to Mr. Farkas's father upon
3 Mr. Farkas's arrest. Mr. Farkas' father was so distraught that
4 he tried to take his own life. RJ caused that. He has to look
5 at his father at every Thanksgiving, for every holiday that
6 they will all spend together, he has to look at his father
7 whenever he sees him, knowing that he caused that to happen.
8 There can be no better deterrent effect than that, knowing that
9 his conduct has that effect on his family, on his friends, on
10 the victims in this case, and now on his immediate family and
11 his daughter Isabella. He knows that the rest of his life he
12 has to walk a straight line. He knows what he has caused.
13 There can be no more suffering that he could endure, no amount
14 of jail time that your Honor could give him that could
15 substitute for the look that he has to see in his father when
16 his father looks back at him, knowing what he caused his father
17 to do or attempt. That's an adequate deterrent.

18 It's also an adequate deterrent when he looks at his
19 young family. Now, the government suggests that this
20 circumstance is not a mitigator because it's more of a life
21 choice. Well, I submit that having a child is not always
22 necessarily a life choice and sometimes some things happen, but
23 one thing is for sure here, that the child that RJ and Donna
24 had will be the only child that they will have.

25 Your Honor has read through the suffering that they

1 both went through during Isabella's birth and the medical
2 issues that Donna has now had as a result. There is no reason
3 for me to repeat them now; they are all very personal matters;
4 and your Honor has reviewed them in the letters. That's a
5 deterrent effect. This is the only child that he and Donna
6 will have, and he wants to do things with her, he wants to be
7 there for her, he wants to be the guiding light in her life,
8 and that's not something that you do from behind bars, and
9 that's not something that this young man is going to risk
10 losing by engaging in something this stupid ever again.
11 Frankly, I don't think that anything like this was ever in
12 Robert's DNA. He was a blue collar guy in a white collar
13 offense.

14 THE COURT: So long as you raised that -- you don't
15 have to answer the question, but it is one that is in my mind.
16 That is, given what happened here, and the circumstances, I can
17 understand given where he was in his life and who these people
18 were, and what the prospects were, why he agreed to join this
19 business venture, but what he did was blatantly dishonest and
20 was all in an effort to get money from investors. And I guess
21 what I don't understand is why he didn't walk away when he saw
22 what was happening. Anything you want to share on that?

23 MR. PETRUZZI: I think I alluded to it earlier, your
24 Honor. The traits that make Robert a good brother, a kind
25 soul, a loyal person, sometimes those traits are traits that

1 get people into trouble when they are misguided, when they
2 don't get the full picture. Part of it -- part of it -- was
3 his understanding -- and albeit perhaps a wrong-headed
4 understanding -- his understanding was that he was trying to
5 make a business succeed. It was a wrong-headed understanding.
6 It was something that was his belief at the time. It doesn't
7 excuse the knowing misrepresentations that he made. It doesn't
8 excuse the fact that he was part of these criminal agreements.

9 And your Honor can see in the government's submissions
10 there were often times when his codefendants, Mr. Sharma would
11 say, RJ, you have to clean this up -- and I am paraphrasing --
12 but there were misrepresentations made in the white papers that
13 existed before RJ started the company. And when the money
14 began rolling in what I described as this irrational exuberance
15 in the crypto world, when the money started rolling in, these
16 parties -- at least the principals -- decided that they needed
17 to continue in trying to make things right. And it was
18 misguided beyond belief, and it was in many ways compounding
19 the problem because misrepresentations were made, and you don't
20 correct misrepresentations by adding additional
21 misrepresentations to them or continuing to make them. That
22 much is understood, and that's why Mr. Farkas pleaded guilty.
23 That's why Mr. Farkas is doing what he can to make sure that
24 the victims receive all of their investments back. And we have
25 an opportunity for that to happen in case thankfully.

1 So, to try to answer your Honor's question, he was in
2 too deep and it was a brief period of time. The ICO again
3 lasted from July until October of 2017, and then shortly
4 thereafter the SEC became involved, and things snowballed to a
5 point where he was ultimately charged with this offense. But
6 we are talking about a period of time that can be measured in
7 months -- a few months.

8 I agree with your Honor. He agrees with your Honor.
9 He recognizes the pain that he caused. He recognizes the lies
10 that he told that for one reason or another -- either directly
11 or indirectly -- got people to spend money and give money to
12 Centra Tech, and those investments were supported by a bed of
13 false statements. He knows that, your Honor. That's why we're
14 in criminal court. He understands that. The question is
15 whether the sentence that we're asking for is the sentence that
16 is sufficient but not greater than necessary under the
17 circumstances to send him a message.

18 THE COURT: Let me ask another question. Looking
19 forward rather than backwards, I understand that he wants to
20 take care of his family and wants to have a different life, and
21 I believe that he is very sincere about that, but what can you
22 tell me about his plans for future employment?

23 MR. PETRUZZI: Very well. So, the recidivism question
24 is an issue. I think it's something that is addressed by his
25 future employment prospects. Also, the fact that he is not a

1 likely recidivist is something that's apparent from the record.
2 He has no priors. He has no traffic tickets that we know of.
3 He was 31 when the offense occurred. He is 34 now. And his
4 future prospects, as indicated in the presentence report, are
5 with his family's business. He intends to help his father in
6 the family business like he has been doing. He is not in
7 Centra Tech because there is no Centra Tech, and it's not his
8 thing anyhow, Judge.

9 THE COURT: I guess what I understood was part of the
10 reason he got into Centra Tech is that he didn't really want to
11 be part of the family business; he wanted to do something
12 different; and he wanted to do something he was passionate
13 about and that was not working in the family business. And so
14 I guess one concern I have is, you know, what is he going to do
15 in the future that gives him satisfaction in what he wants and
16 the ability to support his family that is realistic and law
17 abiding.

18 MR. PETRUZZI: To answer that sort of in the negative,
19 it would be unrealistic for him to get into any financial
20 business. He has no training in that regard, and now he is
21 going to be saddled with a felony fraud conviction. So, I
22 suspect nobody will be sending him any invitations to
23 participate in any type of financial business ever again, so he
24 will be working with his dad on the family business like he has
25 been.

1 Your Honor has the presentence report, and his current
2 employment to my mind isn't any different from what his future
3 employment will be. It's something he has done while he has
4 been on bond for the past two plus years, some of which was
5 home confinement, a large portion of it. Nevertheless, it's
6 something that he does now. Whether it makes him happy to be
7 close to his father, I can answer for him. The answer is yes.
8 Whether it makes him happy to be in his father's business, he
9 can answer for your Honor, but I do believe that to be yes as
10 well.

11 It's not the high-flying crypto world, but then again
12 he is not really cut out for that anyhow, Judge. It even
13 brings to mind some of the things that he was asked to do with
14 his market manipulation. He was even told to stop doing that
15 by the folks who told him what to do at Centra Tech because he
16 couldn't even do it right.

17 This is not a white collar crime guy. He just is not,
18 Judge. What is going to make him happiest in the future is
19 spending time with his daughter and his family, and doing some
20 type of work with his father in his father's business to make
21 it grow.

22 I can't predict the future, but if the past is any
23 good predictor of the future, this is a young man who up until
24 age 31 never did anything wrong, worked hard, worked in jobs
25 like bartending and being a waiter and laying tile. Those are

1 jobs that he worked in.

2 I think what will make him happiest now as he embarks
3 on this new part of his life is his family and his daughter and
4 his soon-to-be wife.

5 Not everybody enjoys their employment. Some people
6 just have jobs to take care of their families. I believe RJ is
7 one of them.

8 Sending a general deterrent message is also an issue
9 that the government raised, and in a vacuum I would agree with
10 them, but there are two other individuals in this case that
11 your Honor can send those messages via. But more than that
12 Mr. Farkas pleaded guilty to 18 U.S.C. 371, and Congress has
13 already made a determination as to what penalties are
14 appropriate for a violation of that statute, and they range
15 from probation -- which is authorized -- to five years. To
16 sentence this defendant, Mr. Farkas, at the top of the
17 statutory maximum of 18 U.S.C. 371 as opposed to the bottom, I
18 think would be just inappropriate under the circumstances,
19 given who he is, what his participation was in the offense, but
20 mostly, you know, where he is going to be in the future.

21 He doesn't appear to be someone likely to be a
22 recidivist -- he just doesn't -- and I think your Honor can
23 send a general deterrent message consistent with this being a
24 Class B felony, consistent with the penalties that have been
25 promulgated by Congress.

1 We would ask for your Honor to impose a
2 nonincarcerative sentence. Mr. Farkas has already done 55 days
3 in custody. In a vacuum 55 days doesn't seem to be a whole lot
4 for those of us who are federal practitioners, but for this
5 particular defendant who had never been arrested before, who
6 hadn't even been stopped for a traffic ticket, it's
7 significant. He spent time in the Federal Detention Center in
8 Miami, which is a maximum security facility. From there he was
9 moved to Atlanta to the USP, which is another maximum security
10 facility. From there he was moved to Oklahoma, which was
11 another maximum facility, and from there he was moved to the
12 MCC. He got a tour of the United States in maximum custody,
13 with belly chains, being transported on airplanes from one city
14 to another for two months while his father was in the hospital
15 after nearly killing himself, while his other family members
16 were obviously concerned about him. Judge, that was hard time.
17 It may have been brief, but it was hard time.

18 After that he was on home confinement, and he did
19 fine. He didn't have even the slightest hiccup while on home
20 confinement, to the point where the parties agreed to modify
21 that and change it to house arrest with a curfew. And he
22 stayed with that curfew for many, many months, and he has done
23 fine on supervision. It just doesn't seem to make a whole lot
24 of sense to have someone who has been on supervision --
25 stringent supervision -- for two years, to then turn around and

1 be incarcerated.

2 I understand the government's concerns about general
3 deterrence. I just don't think that Mr. Farkas is the right
4 person to send that message through. And, frankly, I think
5 your Honor would be authorized and well within your Honor's
6 discretion to express general deterrence by a nonincarcerative
7 sentence. That's what we're asking for.

8 I don't know whether your Honor had any other
9 questions for me, but I'm happy to answer them.

10 THE COURT: No, I did ask my questions already. Thank
11 you.

12 MR. PETRUZZI: Yes, Judge.

13 THE COURT: Mr. Farkas, if you would like to speak,
14 now is your opportunity. You don't have to say anything. I
15 have a pretty good understanding of what happened here, having
16 read all the papers and heard from the lawyers, and I read your
17 letter, but if you would like to say anything, I would like to
18 hear it.

19 THE DEFENDANT: Thank you, your Honor.

20 I'm generally not much of a talker, and I would like
21 to save the Court's time, so I will be brief.

22 I do want to say that I am extremely ashamed of my
23 actions -- I'm sorry -- and I am fully aware of the impact my
24 criminal conduct caused my family, my friends and the many
25 victims. Not a day goes by without me thinking about all of

1 them, including the anxiety and financial hardship that I have
2 inflicted on the victims. If they can hear me now, I want them
3 to know that I have personally experienced hardship, depression
4 and anxiety myself, and I know what it's like. There are not
5 enough words for me to find to say that I'm sorry to the
6 victims, but I'm sincerely sorry. I have tried to make sure
7 they can get back everything they lost.

8 As I rock my daughter to sleep every night, I think of
9 what kind of father I want to be. I want to protect her, see
10 her grow, take her to her first day of school, read her a book
11 before bed, and remind her that she can be whatever she chooses
12 to be, and to help her make the right choice in life.

13 Being with her, being her father is the most
14 incredible and fulfilling role that I have been granted, and it
15 saddens me at the same time. I was on the verge of losing my
16 own father because of my conduct, and this is something that I
17 cannot and will not forget.

18 The last three years has put life in perspective for
19 me and has allowed me to look into deeper issues that I was
20 trying to cover up for years, and appreciate things that I
21 didn't consider important.

22 I hope that I can be a father, son, and the positive
23 member of society that I always wanted to be, and look back on
24 my life in years to come proud of the man I became.

25 To your Honor and any victims actually listening right

1 now, thank you for your time.

2
3 THE COURT: Thank you.

4 I am required to address any victim who is present and
5 permit them to be reasonably heard.

6 Ms. Tekeei, are you aware of any victims who are
7 present?

8 MS. TEKEEI: I am not aware of any victims who are
9 present, your Honor.

10 THE COURT: OK. I don't know if people are muted, but
11 I see that there are two call-in users who are actually not
12 muted. If there are any victims on the phone who would like to
13 be heard, now is your opportunity to be heard.

14 OK. I don't hear from any of the three lines that are
15 unmuted, so I will assume if there are any victims present,
16 that they did not need to be heard beyond the letters that I
17 have received and of course reviewed.

18 Mr. Petruzzi, is there any reason why sentence should
19 not be imposed?

20 MR. PETRUZZI: There isn't, your Honor, but it
21 occurred to me that I didn't ask for a particular sentence, so
22 if I may, I had alluded to a nonincarcerative sentence. We are
23 asking that your Honor impose a sentence of time served
24 followed by five years of supervised release with a special
25 condition of 18 months of home confinement.

1 THE COURT: Thank you. I think that's something
2 slightly different from what I saw in your papers, so thank you
3 for that clarification.

4 Ms. Tekeei, is there any reason why sentence should
5 not be imposed?

6 MS. TEKEEI: No, your Honor.

7 THE COURT: OK. So, as I have stated, the guideline
8 range applicable in this case is 70 to 87 months, which is
9 equal to five years and ten months to seven years and three
10 months.

11 Under the Supreme Court's decision in United States v.
12 Booker and cases that have followed it, that recommendation is
13 just one of the factors that courts are required to consider.
14 There is a list of factors that I'm also required to consider
15 in the statute called 18 U.S.C. Section 3553(a), and those
16 include, first, the nature and circumstances of the offense, as
17 well as Mr. Farkas's own personal history and characteristics.

18 Also -- and the lawyers have been talking about this a
19 fair amount -- the need to have the sentence reflect the
20 seriousness of the offense, afford adequate deterrence, protect
21 the public from further crime, provide the defendant with
22 needed educational or vocational training, and I am also
23 required to impose a sentence that is sufficient but no greater
24 than necessary to comply with the purposes set out above.
25 Another factor is the need to avoid unwarranted sentence

1 disparities among similarly situated defendants. And I would
2 just note the other defendants in this case have not been
3 sentenced, and I also see and accept counsel's
4 representations -- both the government's and the defendant's --
5 that your role was a much lesser role than the other two
6 defendants, so I don't actually think that factor of sentencing
7 disparity is relevant here, except I think a fair and
8 proportional sentence of course is one that is less than, for
9 example, Mr. Sharma's by a great deal.

10 In any event, I find that the sentence I am about to
11 pronounce is sufficient but not greater than necessary to
12 satisfy all of these various purposes that I have just
13 mentioned.

14 So, there is no sentencing that is easy, and this one
15 is certainly no exception. And I thought carefully about it
16 and considered all the materials. And I have to start with the
17 offense. There is no way around it. In my mind, this is a
18 very serious offense. It was a blatant fraud. It was visited
19 on over a hundred victims. The amount of money perhaps because
20 of the exuberance of the market, the amounts of money are
21 staggering, almost \$30 million on the conservative side. And
22 although your role was the least culpable one, and you did what
23 you were told and you were not a supervisor, certainly the
24 things that you did was dishonest and fraudulent by any
25 measure, and so in my mind that makes this a very serious

1 crime.

2 I know you were arrested in April and remanded and
3 spent some time in jail until May 25, so you spent almost two
4 months in jail: And I know that was a time that was difficult
5 for you, certainly not something in your experience. I know
6 you don't have a criminal history. You're now 34 years old, so
7 certainly you are a young plan, and I credit the fact that you
8 really want a different life, you want to turn your life
9 around. Are you not the kind of person who should be spending
10 time with criminals or in jail.

11 I know you were born and raised in New Jersey in a
12 stable and loving family; I can see that by the people who are
13 surrounding you right now. And I know about this important
14 relationship you have with your fiancée and your daughter and
15 how that has really changed your perspective on what is
16 important and what you need to do in your life.

17 But, in addition to supporting your daughter, you need
18 to set an example, and I hope going forward that that is
19 something that you will be able to do.

20 I know you have been working in your family's business
21 for a long time, since 2000, and I understand you wanted to do
22 something different, and I also appreciate what your lawyer
23 says, which is that you understand that at least at the moment
24 the family business is where something stable is, where a
25 stable income is, and something you know how to do and do well,

1 but I would also like you to get some job counseling, to take
2 some tests to find out what your aptitudes are, what fits your
3 personality and figure out -- and maybe in the end the answer
4 to all of that is your family business, but I want you, because
5 you are a young man I want you to explore that, because I think
6 that condition and naivety in part led you to this crime, and I
7 hope that as you move forward you will be realistic about what
8 you can do and realistic about your obligations to your family.

9 So, I know that your friends and your family portray
10 you as someone who is kind and thoughtful and attentive --
11 perhaps to a fault -- to those around you and those who are
12 close to you. I feel like from the letters I have seen I have
13 a good sense of who you are. But notwithstanding that -- and I
14 don't mean to leave it a mystery -- I think it's important to
15 impose a sentence of incarceration under the circumstances,
16 because of the nature of the crime, to promote respect for the
17 law and also for what is called general deterrence, to send a
18 message to other people who might consider committing this kind
19 of crime.

20 Unfortunately, I can't just consider you alone and
21 your circumstances. There are broader considerations like just
22 punishment, the seriousness of the crime, general deterrence,
23 all of those things that don't necessarily have to do with your
24 individual circumstances but that are part of what goes into
25 sentencing. And so that is something that I have to consider,

1 and this is something I think that is driving the sentence.

2 So the probation department recommends a
3 below-guideline sentence of 60 months, which is five years,
4 plus a \$25,000 fine. The government recommends a
5 below-guidelines custodial sentence, without specifying how
6 much. And your lawyer asked for a below-guideline sentence of
7 time served, five years supervised release, with 18 months home
8 confinement. And I assume this was still part of the
9 suggestion -- it was in the papers but not something that was
10 just mentioned -- that is also some amount of community
11 service.

12 MR. PETRUZZI: Yes.

13 THE COURT: Thank you. And, as I said, I am
14 considering the offenses of your codefendants, but in my mind
15 that only argues for a lesser sentence for you because there is
16 a real difference how much they gained and stood to gain from
17 the crime and also the nature of their participation compared
18 with yours.

19 So, I will now state the sentence I intend to impose,
20 and the attorneys will have a final opportunity to make legal
21 objections before it's final.

22 Mr. Farkas, after assessing the particular facts of
23 this case, the factors under Section 3553(a), including the
24 sentencing guidelines, I conclude that a sentence below the
25 guidelines is justified as follows:

1 Mr. Farkas, it is the judgment of the Court that you
2 are to serve a custodial sentence of a year and a day, to be
3 followed by three years of supervised release, all to be served
4 concurrently on both counts.

5 And I am going to make a special condition of your
6 supervised release 200 hours of community service, as directed
7 by the probation department. And I am also going to put a
8 proviso on that, and that is that it must be directly assisting
9 people who are in need. Because I hope you will understand
10 from the experience that there are many people -- particularly
11 these times in the pandemic -- whose lives are so much more
12 difficult than all of us who are here on the phone, including
13 you, and I am hoping that by helping other people, that will
14 give you some perspective in how to organize your life as you
15 go forward.

16 In imposing a term of supervised release, with all of
17 the various conditions, I am not doing that for punishment, but
18 I am doing it to help you try to organize and arrange to live
19 the kind of life I know you want to live, to set an example for
20 your daughter.

21 The standard conditions of supervised release will
22 apply. You must also meet the following special conditions
23 which are explained in detail in the presentence report and
24 which I'm just summarizing:

25 First, you must not commit another crime, federal

1 state or local; you must not illegally possess a controlled
2 substance. You must not possess a firearm or destructive
3 device. Mandatory drug testing is suspended. I don't think
4 that's an issue for you. You will also cooperate in the
5 collection of your DNA.

6 What I am going to do though is require an outpatient
7 drug testing and treatment program as specified in the PSR, so
8 not the occasional testing but outpatient program; also
9 outpatient mental health treatment, as specified in the
10 presentence report; also an employment assistance program that
11 will help you assess your skills and aptitudes and provide
12 guidelines on getting the necessary training for you to fulfill
13 your obligations.

14 Once you are released, you will submit to a search of
15 your home, workplace, vehicle, anywhere under your control.
16 You will provide the probation officer with access to any
17 requested financial information. You must not incur new credit
18 charges or open additional lines of credit without the approval
19 of the probation officer unless you are in compliance with the
20 installment payment schedule that I assume will be agreed upon
21 for you to repay the forfeiture amount.

22 And after you are released from prison, you are to
23 report to the nearest probation office within 72 hours, and you
24 will be supervised in the district of your residence.

25 I am not imposing a fine because with the forfeiture

1 obligation and your other financial obligation, I don't believe
2 you would have the ability to pay a fine. Restitution is taken
3 care of with the prior order I signed. I will sign a separate
4 order of forfeiture. And I am imposing a mandatory special
5 assessment of \$200, which will be due immediately.

6 Does either counsel know of any legal reason why the
7 sentence should not be imposed as stated? Mr. Petruzzi?

8 MR. PETRUZZI: No, I don't, your Honor.

9 THE COURT: Ms. Tekeei?

10 MS. TEKEEI: No, your Honor.

11 THE COURT: So, the sentence as stated is imposed.

12 Are there any applications in connection with the
13 sentence? Mr. Petruzzi?

14 MR. PETRUZZI: Yes, your Honor. I would ask that your
15 Honor recommend to the Bureau of Prisons that Mr. Farkas be
16 incarcerated at a facility in South Florida consistent with his
17 custody level.

18 THE COURT: OK. And how about his surrender date?

19 MR. PETRUZZI: If I could also add to that if it's all
20 right with your Honor, that he could serve part of his sentence
21 in a residential reentry center? I believe that they are under
22 the auspices of the Bureau of Prisons, so it would count as
23 incarcerative.

24 THE COURT: I don't know if that is within my purview.
25 You may. But the general message I've gotten is that courts

1 don't specify where and how the sentences are served. So, I
2 don't think I can do that.

3 But I will make a recommendation to a facility in
4 South Florida consistent with his custody level, in order to
5 facilitate -- and I have been told it's important to say why --
6 in order to facilitate family visitation.

7 Did you want to make a request about a surrender date?

8 MR. PETRUZZI: If I can have a moment, your Honor, so
9 I can ask Mr. Farkas, text him something.

10 THE COURT: Sure.

11 MR. PETRUZZI: If we can ask for sometime January or
12 February.

13 THE COURT: Let's say May. I am concerned about the
14 pandemic. If he really wants to do it in January and get it
15 over with, I will, but it seems to me late spring might be
16 better, but that's not for me to decide; it's really for you
17 all.

18 MR. PETRUZZI: Let me suggest this. If your Honor
19 would be kind enough to set a date in April, that would be
20 great. And if Mr. Farkas wants to surrender before that, then
21 I suppose he always could.

22 THE COURT: OK. What you will have to do is wait for
23 the Bureau of Prisons to send you where he will be designated,
24 so in other words where you should surrender, but I think they
25 will do that far in advance. I will make the surrender date

1 Friday, April 30 at 2 p.m. And if for some -- well, I will
2 just leave it at that, Friday, April 30 at 2 p.m.

3 Ms. Tekeei, are there any open counts that need to be
4 dismissed?

5 MS. TEKEEI: Your Honor, there is an underlying
6 indictment that the government moves to dismiss.

7 THE COURT: OK, I will grant that application. And,
8 Ms. Tekeei, I would also like by a week from today a letter
9 from you along the lines we discussed, basically with a
10 proposal for updating the Court and also whatever you can tell
11 me about how you expect the claims process to proceed.

12 Mr. Farkas, subject to your waiver of rights in the
13 plea agreement, you may have the right to appeal your
14 conviction of sentence. If you are unable to pay the cost of
15 appeal, you may apply for leave to appeal in forma pauperis.
16 The notice of appeal must be filed within 14 days of the
17 judgment of conviction.

18 And what I will do is I will just continue your bail
19 conditions, so in other words just continue to do what you have
20 done in terms of complying with your bail conditions. And
21 please be sure and surrender by April 30, because if you don't,
22 your failure to report could result in a charge for a separate
23 criminal offense.

24 I want to thank you again, all of your family and
25 friends for the support they have given to you. It's so

1 important. Let me just address them for a minute.

2 Mr. Farkas really needs your help in trying to have a
3 life that he needs and wants to have, and so I hope that you
4 will give him your emotional support and be there for him
5 during these next months, because I expect that they will be
6 challenging.

7 And, Mr. Farkas, I wish you the best of luck I see a
8 different future for you, very different than the one from your
9 past. I believe you can do it, and so the best of luck to you.

10 Also there was a government request to file their
11 submission with redactions, and I will grant that request.

12 Thank you, your Honor.

13 THE COURT: Anything else we need to do?

14 MS. TEKEEI: Not from the government.

15 MR. PETRUZZI: Nor from the defense. Thank you very
16 much for your time, your Honor.

17 THE COURT: OK, thank you. We are adjourned.

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